Dubai Islamic Bank P.J.S.C.

Review report and condensed consolidated interim financial information
for the three-month period ended 31 March 2016

Dubai Islamic Bank P.J.S.C.

Review report and condensed consolidated interim financial information (Unaudited)
for the three-month period ended 31 March 2016

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

To the Shareholders of Dubai Islamic Bank P.J.S.C.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of Dubai Islamic Bank P.J.S.C. (the "Bank") and its subsidiaries (collectively referred to as the "Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 31 March 2016;
- the condensed consolidated interim statement of profit or loss for the three-month period ended 31 March 2016;
- the condensed consolidated interim statement of other comprehensive income for the three-month period ended 31 March 2016;
- the condensed consolidated interim statement of changes in equity for the three-month period ended 31 March 2016;
- the condensed consolidated interim statement of cash flows for the three-month period ended 31 March 2016; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2016 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG

KPMG Lower Gulf Limited
Muhammad Tariq
Registration No: 793
Date: 27 APR 2016

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Dubai Islamic Bank P.J.S.C.

Condensed consolidated interim statement of financial position
as at 31 March 2016

	Note	(Unaudited) 31 March 2016 AED'000	(Audited) 31 December 2015 AED'000
ASSETS			
Cash and balances with central banks	5	**20,132,840**	13,414,874
Due from banks and financial institutions	6	**6,010,400**	5,084,740
Islamic financing and investing assets, net	7	**102,919,333**	97,219,599
Investments in Islamic sukuk measured at amortised cost	8	**21,136,584**	20,065,651
Other investments measured at fair value	9	**1,796,302**	1,830,986
Investments in associates and joint ventures	10	**2,160,387**	2,084,977
Properties held for development and sale		**1,387,815**	1,393,953
Investment properties	11	**2,767,187**	2,743,442
Receivables and other assets		**5,734,247**	5,263,927
Property and equipment		**822,633**	795,355
Total assets		**164,867,728**	149,897,504
LIABILITIES AND EQUITY			
LIABILITIES			
Customers' deposits	12	**122,498,423**	109,981,432
Due to banks and financial institutions		**6,013,036**	4,712,628
Sukuk issued	13	**7,438,425**	5,601,925
Payables and other liabilities		**7,199,040**	6,807,991
Total liabilities		**143,148,924**	127,103,976
EQUITY			
Share capital	14	**3,953,751**	3,953,751
Tier 1 sukuk	15	**7,346,000**	7,346,000
Other reserves and treasury shares		**5,642,539**	5,617,539
Investments fair value reserve		**(699,669)**	(657,367)
Exchange translation reserve		**(364,868)**	(354,829)
Retained earnings		**3,396,157**	4,563,734
Equity attributable to owners of the Bank		**19,273,910**	20,468,828
Non-controlling interests		**2,444,894**	2,324,700
Total equity		**21,718,804**	22,793,528
Total liabilities and equity		**164,867,728**	149,897,504

H.E. Mohammad Ibrahim Al Shaibani
Chairman

Abdulla Ali Al Hamli
Managing Director

Dr. Adnan Chilwan
Group Chief Executive Officer

The notes on pages 7 to 26 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Condensed consolidated interim statement of profit or loss (Unaudited)
for the three-month period ended 31 March 2016

	Note	Three-month period ended 31 March	
		2016	2015
		AED'000	AED'000
NET INCOME			
Income from Islamic financing and investing transactions		**1,526,751**	1,258,669
Commissions, fees and foreign exchange income		**417,880**	305,043
Income from other investments measured at fair value, net		**15,287**	12,117
Income from properties held for development and sale, net		**10,045**	7,551
Income from investment properties		**18,970**	22,126
Share of profit from associates and joint ventures		**95,984**	90,463
Other income		**20,367**	32,520
Total income		**2,105,284**	1,728,489
Less: depositors' and sukuk holders' share of profit		**(411,848)**	(208,869)
Net income		**1,693,436**	1,519,620
OPERATING EXPENSES			
Personnel expenses		**(386,700)**	(353,096)
General and administrative expenses		**(143,423)**	(138,088)
Depreciation of investment properties		**(9,025)**	(8,403)
Depreciation of property and equipment		**(31,543)**	(28,614)
Total operating expenses		**(570,691)**	(528,201)
Net operating income before impairment charges		**1,122,745**	991,419
Impairment charges, net	*17*	**(117,660)**	(135,751)
Net profit for the period before income tax expense		**1,005,085**	855,668
Income tax expense		**(3,785)**	(5,252)
Net profit for the period		**1,001,300**	850,416
Attributable to:			
Owners of the Bank		**875,302**	816,723
Non-controlling interests		**125,998**	33,693
Net profit for the period		**1,001,300**	850,416
Basic and diluted earnings per share (AED per share)	*18*	**0.16**	0.18

The notes on pages 7 to 26 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Condensed consolidated interim statement of other comprehensive income (Unaudited)
for the three-month period ended 31 March 2016

	Three-month period ended 31 March	
	2016	2015
	AED'000	AED'000
Net profit for the period	**1,001,300**	850,416
Other comprehensive income / (loss) items		
Items that will not be reclassified subsequently to profit or loss:		
Fair value (loss) / gain on other investments carried at FVTOCI, net	**(42,930)**	5,949
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations, net	**(10,039)**	(38,234)
Other comprehensive loss for the period	**(52,969)**	(32,285)
Total comprehensive income for the period	**948,331**	818,131
Attributable to:		
Owners of the Bank	**822,961**	785,066
Non-controlling interests	**125,370**	33,065
Total comprehensive income for the period	**948,331**	818,131

The notes on pages 7 to 26 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Dubai Islamic Bank P.J.S.C.

Condensed consolidated interim statement of changes in equity *(Unaudited)*

for the three-month period ended 31 March 2016

	Equity attributable to owners of the Bank								
	Share capital AED'000	Tier 1 sukuk AED'000	Other reserves and treasury shares AED'000	Investments fair value reserve AED'000	Exchange translation reserve AED'000	Retained earnings AED'000	Total AED'000	Non-controlling interests AED'000	Total equity AED'000
Balance at 1 January 2015	3,953,751	3,673,000	5,494,117	(567,806)	(280,383)	3,252,192	15,524,871	2,181,213	17,706,084
Net profit for the period	-	-	-	-	-	816,723	816,723	33,693	850,416
Other comprehensive loss for the period	-	-	-	6,577	(38,234)	-	(31,657)	(628)	(32,285)
Total comprehensive income / (loss) for the period	-	-	-	6,577	(38,234)	816,723	785,066	33,065	818,131
Transaction with owners directly in equity:									
Dividend paid (note 24)	-	-	-	-	-	(1,578,090)	(1,578,090)	(6,773)	(1,584,863)
Zakat	-	-	-	-	-	-	-	-	-
Tier 1 sukuk issuance	-	3,673,000	-	-	-	-	3,673,000	-	3,673,000
Tier 1 sukuk issuance cost	-	-	-	-	-	(14,104)	(14,104)	-	(14,104)
Gain on buy/sell of Tier 1 sukuk	-	-	-	-	-	217	217	-	217
Tier 1 sukuk profit distribution (note 15)	-	-	-	-	-	(114,781)	(114,781)	-	(114,781)
Transfer on disposal/reclassification of other investments carried at FVTOCI	-	-	-	2,575	-	(2,575)	-	-	-
Board of Directors' remuneration paid	-	-	-	-	-	(4,500)	(4,500)	-	(4,500)
Balance at 31 March 2015	3,953,751	7,346,000	5,494,117	(558,654)	(318,617)	2,355,082	18,271,679	2,207,505	20,479,184
Balance at 1 January 2016	**3,953,751**	**7,346,000**	**5,617,539**	**(657,367)**	**(354,829)**	**4,563,734**	**20,468,828**	**2,324,700**	**22,793,528**
Net profit for the period	-	-	-	-	-	875,302	875,302	125,998	1,001,300
Other comprehensive loss for the period	-	-	-	(42,302)	(10,039)	-	(52,341)	(628)	(52,969)
Total comprehensive income / (loss) for the period	-	-	-	(42,302)	(10,039)	875,302	822,961	125,370	948,331
Transaction with owners directly in equity:									
Dividend paid (note 24)	-	-	-	-	-	(1,775,526)	(1,775,526)	(4,450)	(1,779,976)
Zakat	-	-	-	-	-	(983)	(983)	-	(983)
Tier 1 sukuk profit distribution	-	-	-	-	-	(238,745)	(238,745)	-	(238,745)
Acquisition of non-controlling interest	-	-	-	-	-	375	375	(726)	(351)
Transfer to regulatory credit risk reserve	-	-	25,000	-	-	(25,000)	-	-	-
Board of Directors' remuneration paid	-	-	-	-	-	(3,000)	(3,000)	-	(3,000)
Balance at 31 March 2016	**3,953,751**	**7,346,000**	**5,642,539**	**(699,669)**	**(364,868)**	**3,396,157**	**19,273,910**	**2,444,894**	**21,718,804**

The notes on page 7 to 26 form an integral part of these condensed consolidated interim financial information.
The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Condensed consolidated interim statement of cash flows (Unaudited)
for the three-month period ended 31 March 2016

	Three-month period ended 31 March	
	2016	2015
	AED'000	AED'000
Operating activities		
Profit for the period before income tax expense	**1,005,085**	855,668
Adjustments for:		
Share of profit of associates and joint ventures	**(95,984)**	(90,463)
Income from disposal of properties held for development and sale	**(10,045)**	(7,551)
Dividend income	**(15,288)**	(12,117)
Gain on disposal of investment in associates and jointly controlled entities	**-**	(11,674)
Gain on disposal of investment property	**-**	(3,968)
(Gain) / loss on disposal of other investments	**(30)**	304
Revaluation of investments at fair value through profit or loss	**31**	31
Loss on disposal of property and equipment	**7**	42
Depreciation of investment properties	**9,025**	8,403
Depreciation of property and equipment	**31,543**	28,614
Provision for employees' end-of-services benefit	**6,357**	6,009
Impairment charge for the period, net	**117,660**	135,751
Operating cash flow before changes in operating assets and liabilities	**1,048,361**	909,049
Decrease in deposits and international murabahat with over three months maturity	**650,789**	1,601,301
Increase in Islamic financing and investing assets	**(6,012,994)**	(8,067,928)
Increase in receivables and other assets	**(317,400)**	(542,152)
Increase in customers' deposits	**12,511,517**	11,801,189
Increase in due to banks and other financial institutions	**1,300,223**	1,386,575
Increase / (decrease) in payables and other liabilities	**381,504**	(178,812)
Cash generated from operations	**9,562,000**	6,909,222
Employees' end-of-services benefit paid	**(58)**	(2,624)
Tax paid	**(4,937)**	(3,950)
Net cash generated from operating activities	**9,557,005**	6,902,648
Investing activities		
Net movement in investments in Islamic sukuk measured at amortised cost	**(1,070,182)**	(1,421,429)
Purchase of investment properties	**(12,936)**	(4,378)
Proceeds from sale of investment properties	**745**	11,800
Purchase of property and equipment	**(27,718)**	(37,644)
Proceeds from disposal of properties held for development and sale	**11,405**	48,548
Net movement in other investments measured at fair value	**(7,127)**	16,523
Dividend received	**15,288**	12,117
Additions to properties held for development and sale	**-**	(4,580)
Net movement in investments in associates and joint ventures	**23,460**	3,409
Net cash used in investing activities	**(1,067,065)**	(1,375,634)
Financing activities		
Dividend paid	**(1,779,976)**	(1,584,863)
Tier 1 sukuk issued during the period	**-**	3,673,000
Tier 1 sukuk profit distribution	**(238,745)**	(114,781)
Tier 1 sukuk issuance, net	**-**	(14,104)
Net movement in sukuk issued	**1,836,500**	-
Net cash (used in) / generated from financing activities	**(182,221)**	1,959,252
Net increase in cash and cash equivalents	**8,307,719**	7,486,266
Cash and cash equivalents at the beginning of the period	**16,293,362**	12,664,553
Effect of exchange rate changes on the balance of cash held in foreign currencies	**(13,304)**	(4,417)
Cash and cash equivalents at the end of the period (note 19)	**24,587,777**	20,146,402

The notes on page 7 to 26 form an integral part of these condensed consolidated interim financial information.
The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2016

1. General information

Dubai Islamic Bank (Public Joint Stock Company) (the "Bank") was incorporated by an Amiri Decree issued on 29 Safar 1395 Hijri, corresponding to 12 March 1975 by His Highness, the Ruler of Dubai, to provide banking and related services based on Islamic Sharia'a principles. It was subsequently registered under the Commercial Companies Law number 8 of 1984 (as amended) as a Public Joint Stock Company.

The accompanying condensed consolidated interim financial statements combine the activities of the Bank and its subsidiaries as disclosed in note 26.1 (together referred to as the "Group").

The Bank is listed on the Dubai Financial Market (Ticker: "DIB").

The Group is primarily engaged in corporate, retail and investment banking activities and carries out its operations through its local branches and overseas subsidiaries. The principal activities of the Group entities are described in note 26.1 to these condensed consolidated interim financial statements.

The registered head office of the Bank is at P.O. Box 1080, Dubai, United Arab Emirates.

2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial statements

The following revised IFRSs have been adopted in these condensed consolidated interim financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements:

- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures – amendments relating to sale or contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – amendments relating to changes in method for disposal.
- Amendments to IFRS 7 Financial Instruments: Disclosures – amendments relating to 'continuing involvement' for servicing contracts.
- Amendments to IAS 34 Interim Financial Reporting – amendments relating to disclosure of information 'elsewhere in the interim financial report'.
- Amendments to IAS 1 Presentation of Financial Statements – amendments relating to additional disclosures for users of the Financial Statements.
- Amendments to IAS 16 Property, Plant and Equipment – Amendments regarding the clarification of acceptable methods of depreciation and amortisation.
- Amendments to IAS 38 Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation.

2.2 New and revised standards in issue but not yet effective

The Group has not early adopted the following new and revised standards that have been issued but are not yet effective:

New and revised IFRSs	**Effective for annual periods beginning on or after**
Amendments to IAS 12 *Income Taxes* relating to recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

2 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised standards in issue but not yet effective (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	1 January 2017
Finalised version of IFRS 9 *Financial Instruments* (IFRS 9 *Financial Instruments (2014)*) was issued in July 2014 incorporating requirements for classification and measurement, impairment, general hedge accounting and de-recognition. This amends classification and measurement requirement of financial assets and introduces new expected loss impairment model. A new measurement category of fair value through other comprehensive income (FVTOCI) will apply for debt instruments held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets. A new impairment model based on expected credit losses will apply to debt instruments measured at amortised costs or FVTOCI, lease receivables, contract assets and certain written loan commitments and financial guarantee contract.	1 January 2018
IFRS 16 *Leases*: IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	1 January 2019
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures (2011)* relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely

As of date of issuance of these condensed consolidated interim financial statements, management are still in the process of evaluating the impact of these new and revised standards on the condensed consolidated interim financial statements.

3. Basis of preparation

3.1 Statement of compliance

These condensed consolidated interim financial information are prepared in accordance with International Accounting Standard 34. "*Interim Financial Reporting*" issued by the International Accounting Standards Board and applicable requirements of the laws of the U.A.E. UAE Federal Law No 2 of 2015 ("UAE Companies Law of 2015") was issued on 1 April 2015 and has come into force on 1 July 2015. Companies are allowed to ensure compliance with the UAE Companies Law of 2015 by 30 June 2016 as per the transitional provisions contained therein. The Bank is currently in the process of implementing all changes required by the UAE Companies Law of 2015.

These condensed consolidated interim financial information do not include all the information required for a complete set of IFRS consolidated financial statements and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2015. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual audited consolidated financial statements as at and for the year ended 31 December 2015.

3. Basis of preparation (continued)

3.2 Judgments and estimates

The preparation of these condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, equity, income and expense. Actual amount may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimates uncertainty were the same as those which were applied to the audited consolidated audited financial statements as at and for the year ended 31 December 2015.

4. Significant accounting policies

The accounting policies used in the preparation of these condensed consolidated financial information are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended 31 December 2015.

Summary of significant accounting policies applied in the preparation of these condensed consolidated interim financial information are as follows:

4.1 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended 31 December 2015.

4.2 Investments in Islamic Sukuk

Investments in Islamic Sukuk are measured at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Investments in Islamic Sukuk meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective yield basis less any impairment, with profit recognised on an effective yield basis in income from investments in Islamic Sukuk in the condensed consolidated interim statement of profit or loss.

4.3 Other investments

4.3.1 Investments measured at fair value through profit or loss ("FVTPL")

Investments in sharia compliant equity instruments are classified as at FVTPL, unless the Group designates an investment at fair value through other comprehensive income (FVTOCI) on initial recognition.

Financial assets (other than equity instruments) that do not meet the amortised cost criteria are measured at FVTPL. In addition, financial assets (other than equity instruments) that meet the amortised cost criteria but are designated as at FVTPL are measured at FVTPL. Financial assets (other than equity instruments) may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Group has not designated any financial assets (other than equity instruments) as at FVTPL.

4. Significant accounting policies (continued)

4.3 Other investments (continued)

4.3.1 Investments measured at fair value through profit or loss ("FVTPL") (continued)

Financial assets are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of financial assets (other than equity instruments) that are designated as at FVTPL on initial recognition is not allowed.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the condensed consolidated interim statement of profit or loss.

Dividend income on investments in equity instruments at FVTPL is recognised in the condensed consolidated interim statement of profit or loss when the Group's right to receive the dividends is established in accordance with IAS 18 *Revenue* and is included in the condensed consolidated interim statement of profit or loss.

4.3.2 Investments measured at fair value through other comprehensive income ("FVTOCI")

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in sharia compliant equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is an Islamic derivative that is not designated and effective as an Islamic hedging instrument or a financial guarantee.

FVTOCI assets are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. The cumulative gain or loss will not be reclassified to profit or loss on disposals.

Dividends on these investments in equity instruments are recognised in condensed consolidated interim statement of profit or loss when the Group's right to receive the dividends is established in accordance with IAS 18 *Revenue*, unless the dividends clearly represent a recovery of part of the cost of the investment.

4.4 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured at cost less accumulated depreciation and impairment loss, if any. Depreciation on investment in buildings is charged on a straight-line basis over 25 years.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the condensed consolidated interim statement of profit or loss in the period in which the property is derecognised.

Transfers to investment properties are made when, and only when there is change in use evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development.

Transfers from investment properties are made when, and only when, there is change in use evidenced by commencement of owner-occupation or commencement of development with a view to sale.

4. Significant accounting policies (continued)

4.5 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of acquisition over the Group share of the net fair value of the identifiable assets, liabilities and contingent liabilities of associates and joint ventures recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the condensed consolidated interim statement of profit or loss in the period in which the investment is acquired.

The results and assets and liabilities of associates and joint ventures are incorporated in these condensed consolidated interim financial statements using the equity method of accounting from the date on which the investment becomes an associate or joint venture. Under the equity method, an investment in associates and joint ventures is initially recognised in the condensed consolidated interim statement of financial position at cost and adjusted thereafter to recognise the Group share of the profit or loss and other comprehensive income of the associates and joint ventures.

When the Group share of losses of associates and joint ventures exceeds the Group interest in that associates and joint ventures (which includes any long-term interests that, in substance, form part of the Group net investment in the associates and joint ventures), the Group discontinues recognizing its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates and joint ventures.

The requirements of International Financial Reporting Standards are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group investment in associates and joint ventures. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains its interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

Upon disposal of associates and joint ventures that results in the Group losing significant influence over that associates and joint ventures, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associates and joint ventures attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associates and joint ventures. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associates and joint ventures on the same basis as would be required if that associates and joint ventures had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associates and joint ventures would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associates and joint ventures.

Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2016

5 Cash and balances with central banks

5.1 Analysis by category

	Note	**Unaudited 31 March 2016 AED'000**	Audited 31 December 2015 AED'000
Cash on hand		**2,450,814**	2,186,665
Balances with central banks:			
Current accounts		**1,140,976**	1,905,431
Reserve requirements with central banks	*5.3*	**6,733,676**	7,116,527
International murabahas with the Central Bank of the U.A.E.		**9,807,374**	2,206,251
Total		**20,132,840**	13,414,874

5.2 Analysis by geography

	Unaudited 31 March 2016 AED'000	Audited 31 December 2015 AED'000
Within the U.A.E.	**19,731,988**	12,976,154
Outside the U.A.E.	**400,852**	438,720
Total	**20,132,840**	13,414,874

5.3 Statutory cash reserve requirements

The reserve requirements are kept with the Central Banks of the U.A.E. and Islamic Republic of Pakistan in the respective local currencies and US Dollar. These reserves are not available for use in the Group's day to day operations, and cannot be withdrawn without the approval of the respective central banks. The level of reserve required changes every month in accordance with the requirements of the respective central banks' directives.

6 Due from banks and financial institutions

6.1 Analysis by category

	Unaudited 31 March 2016 AED'000	Audited 31 December 2015 AED'000
Current accounts	**1,651,210**	4,216,670
Wakala deposits	**1,059,444**	868,070
International murabahas - short term	**3,299,746**	-
Total	**6,010,400**	5,084,740

6 Due from banks and financial institutions (continued)

6.2 Analysis by geography

	Note	**Unaudited 31 March 2016 AED'000**	Audited 31 December 2015 AED'000
Within the U.A.E.		**4,731,589**	886,105
Outside the U.A.E.		**1,278,811**	4,198,635
Total		**6,010,400**	5,084,740

7 Islamic financing and investing assets, net

7.1 Analysis by category

		Unaudited 31 March 2016 AED'000	Audited 31 December 2015 AED'000
Islamic financing assets			
Vehicles murabahas		**10,409,428**	10,251,100
Commodities murabahas		**4,510,562**	4,728,909
Real estate murabahas		**2,045,086**	2,185,196
International murabahas - long term		**16,637,476**	13,790,431
Total murabahas		**39,037,296**	34,513,582
Ijarahs		**28,839,290**	26,265,833
Home finance ijarah		**12,575,381**	12,557,537
Personal finance		**13,715,179**	12,811,288
Istisna'a		**2,740,062**	3,114,303
Islamic credit cards		**794,950**	772,074
		92,267,414	86,476,671
Less: deferred income		**(3,059,224)**	(2,610,995)
Less: contractors and consultants' istisna'a contracts		**(252,964)**	(300,720)
Total Islamic financing assets		**88,955,226**	83,564,956
Islamic investing assets			
Musharakas		**5,908,297**	5,885,591
Mudarabas		**10,981,646**	10,637,682
Wakalas		**2,196,447**	2,179,467
Total Islamic investing assets		**19,086,390**	18,702,740
Total Islamic financing and investing assets		**108,041,616**	102,267,696
Less: provisions for impairment, net	*7.3*	**(5,122,283)**	(5,048,097)
Total Islamic financing and investing assets, net		**102,919,333**	97,219,599

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for the three-month period ended 31 March 2016

7 Islamic financing and investing assets, net (continued)

7.2 Analysis by geography

	Note	**Unaudited 31 March 2016 AED'000**	Audited 31 December 2015 AED'000
Within the U.A.E.		**99,440,706**	94,972,853
Outside the U.A.E.		**8,600,910**	7,294,843
Total Islamic financing and investing assets		**108,041,616**	102,267,696
Less: provisions for impairment	*7.3*	**(5,122,283)**	(5,048,097)
Total Islamic financing and investing assets, net		**102,919,333**	97,219,599

7.3 Provision for impairment

	Unaudited 31 March 2016 AED'000	Audited 31 December 2015 AED'000
Balance at the beginning of the period / year	**5,048,097**	5,147,044
Charge for the period / year	**584,164**	1,520,488
Release to profit or loss	**(312,775)**	(1,036,421)
Write off	**(185,127)**	(380,283)
Others	**(12,076)**	(202,731)
Balance at the end of the period / year	**5,122,283**	5,048,097

8 Investments in Islamic sukuk measured at amortised cost

8.1 Analysis by geography

	Unaudited 31 March 2016 AED'000	Audited 31 December 2015 AED'000
Within the U.A.E.	**13,795,064**	13,424,191
Other G.C.C. Countries	**821,415**	814,453
Rest of the World	**6,520,105**	5,827,007
Total	**21,136,584**	20,065,651

Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2016

9 Other investments measured at fair value

9.1 Analysis by category and geography

	Within the U.A.E. AED'000	Other G.C.C. countries AED'000	Rest of the World AED'000	Total AED'000
31 March 2016 (Unaudited)				
Investments designated at fair value through profit or loss				
Quoted equity instruments	**3,900**	**2,908**	**-**	**6,808**
Investments measured at fair value through other comprehensive income				
Quoted equity instruments	**705,631**	**122,757**	**2,487**	**830,875**
Unquoted equity instruments and investment funds	**601,738**	**71,633**	**285,248**	**958,619**
	1,307,369	**194,390**	**287,735**	**1,789,494**
Total	**1,311,269**	**197,298**	**287,735**	**1,796,302**
31 December 2015 (Audited)				
Investments designated at fair value through profit or loss				
Quoted equity instruments	-	-	-	-
Investments measured at fair value through other comprehensive income				
Quoted equity instruments	741,312	123,565	2,635	867,512
Unquoted equity instruments and investment funds	600,328	75,549	287,597	963,474
	1,341,640	199,114	290,232	1,830,986
Total	1,341,640	199,114	290,232	1,830,986

10 Investments in associates and joint ventures

During the year ended 31 December 2015, the Group acquired a further 1.53 billion shares of Bank Panin Syariah after obtaining all regulatory approvals. The Group has 39.5% shares as at 31 March 2016.

Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2016

11 Investment properties

11.1 Analysis by category and geography

	Other real estate	Investment properties under construction	Land	Total
	AED'000	AED'000	AED'000	AED'000
31 March 2016 (Unaudited)				
Carrying amount:				
Within the U.A.E.	**526,319**	**1,275,077**	**724,965**	**2,526,360**
Outside the U.A.E.	**189,113**	**-**	**51,713**	**240,827**
Total carrying amount	**715,432**	**1,275,077**	**776,678**	**2,767,187**
31 December 2015 (Audited)				
Carrying amount:				
Within the U.A.E.	481,407	1,267,023	756,780	2,505,210
Outside the U.A.E.	186,519	-	51,713	238,232
Total carrying amount	667,926	1,267,023	808,493	2,743,442

12 Customers' deposits

12.1 Analysis by category

	Note	**Unaudited 31 March 2016**	Audited 31 December 2015
		AED'000	AED'000
Current accounts		**30,066,413**	27,623,142
Saving accounts		**16,981,208**	16,282,915
Investment deposits		**74,793,798**	65,301,564
Margin accounts		**493,041**	585,481
Depositors' investment risk reserve	*12.2*	**32,382**	57,382
Depositors' share of profit payable		**131,581**	130,948
Total		**122,498,423**	109,981,432

12.2 Depositors' investment risk reserve

Depositors' investment risk reserve represents a portion of the depositors' share of profits set aside as a reserve. This reserve is paid to the depositors with the approval of the Bank's Fatwa and Sharia'a Supervisory Board.

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13 Sukuk issued

13.1 Analysis by issuance

The analysis of the Sukuk instruments issued by the Group is as follows:

	Expected annual profit rate	Maturity	Unaudited 31 March 2016 AED'000	Audited 31 December 2015 AED'000
Sukuk issued by the Bank	4.75%	May 2017	**1,836,500**	1,836,500
Sukuk issued by the Bank	2.92%	June 2020	**2,754,750**	2,754,750
Sukuk issued by the Bank	3.60%	March 2021	**1,836,500**	-
Sukuk issued by a subsidiary	5.15%	January 2017	**1,010,675**	1,010,675
Total			**7,438,425**	5,601,925

During the period, the Bank, through a Sharia compliant structure, has issued third series of trust certificates amounting to US$ 500 million (equivalent to AED 1,836.5 billion). This issue forms part of an overall programme of US$ 2,500 million. Profit distributions are to be serviced on a semi-annual basis. The sukuk is listed on Dubai Financial Market and Irish Stock Exchange.

14 Share capital

As at 31 March 2016, 3,953,751,107 authorised ordinary shares of AED 1 each (2015: 3,953,751,107 ordinary shares of AED 1 each) were fully issued and paid up.

15 Tier 1 sukuk

15.1 Analysis by issuance

SPV ("the Issuer")	Date of issuance	Issuance amount Equivalent AED '000	Discretionary profit rate	Callable period
DIB Tier 1 Sukuk Limited	March 2013	3,673,000	6.25% per annum to be paid semi-annually	On or after March 2019
DIB Tier 1 Sukuk (2) Limited	January 2015	3,673,000	6.75% per annum to be paid semi-annually	On or after January 2021
		7,346,000		

During 2013, the Bank issued Sharia compliant Tier 1 Sukuk through an SPV, DIB Tier 1 Sukuk Ltd, ("the Issuer") amounting to USD 1,000 million (AED 3,673 million) at a par value of USD 1,000 (AED 3,673) per sukuk. In January 2015, the Bank issued a second series of Sharia compliant Tier 1 Sukuk through an SPV, DIB Tier 1 Sukuk II Ltd, ("the issuer") amounting to USD 1,000 million (AED 3,673 million) at a par value of USD 1,000 (AED 3,763) per sukuk.

Tier 1 sukuk is a perpetual security in respect of which there is no fixed redemption date and constitutes direct, unsecured, subordinated obligations (senior only to share capital) of the Bank subject to the terms and conditions of the Mudaraba Agreement. The Tier 1 sukuk are listed on the Irish Stock Exchange and Dubai Financial Market / Nasdaq Dubai and are callable by the Bank after the "First Call Date" or any profit payment date thereafter subject to certain redemption conditions.

The net proceeds of the Tier 1 sukuk are invested by way of Mudaraba with the Bank (as Mudareb) on an unrestricted co-mingling basis, in general business activities carried out through the Mudaraba Common pool.

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16 Contingent liabilities and commitments

Analysis of contingent liabilities and commitments as at 31 March 2016 and 31 December 2015 is as follows:

	Unaudited 31 March 2016 AED'000	Audited 31 December 2015 AED'000
Contingent liabilities:		
Letters of guarantee	**9,348,865**	9,096,484
Letters of credit	**2,585,516**	2,866,913
Total contingent liabilities	**11,934,381**	11,963,397
Commitments:		
Capital expenditure commitments	**1,108,420**	1,133,512
Irrevocable undrawn facilities commitments	**23,074,899**	24,100,827
Total commitments	**24,183,319**	25,234,339
Total contingent liabilities and commitments	**36,117,700**	37,197,736

17. Impairment charges, net

Impairment charges include net impairment charge on Islamic financing and investing assets amounting to AED 271.38 million (refer note 7.3) (31 March 2015: AED 136.75 million), net release on other financial assets amounting to AED 152.65 million (31 March 2015: AED 1.00 million) and release of impairment charge on non-financial assets amounting to AED 1.07 million (31 March 2015: Net charge of AED Nil).

18 Basic and diluted earnings per share

Basic and diluted earnings per share are calculated by dividing the profit for the period attributable to shareholders of the Bank, net of directors' remuneration and profit attributable to Tier 1 sukukholders by the weighted average number of shares outstanding during the period as follows:

	(Unaudited)	
	Three-month period ended 31 March	
	2016 AED'000	2015 AED'000
Profit for the period attributable to shareholders of the Bank	**875,302**	816,723
Profit attributable to Tier 1 sukukholders	**(238,745)**	(114,781)
Board of Directors' remuneration	**(3,000)**	(4,500)
	633,557	697,442
Weighted average number of shares outstanding during the period ('000)	**3,945,613**	3,945,224
Basic and diluted earnings per share (AED per share)	**0.16**	0.18

Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2016

19 Cash and cash equivalents

	Note	(Unaudited)	
		Three-month period ended 31 March	
		2016	2015
		AED'000	AED'000
Cash and balances with central banks		**20,132,840**	16,271,927
Due from banks and financial institutions		**6,010,400**	10,242,477
		26,143,240	26,514,404
Less: balances and deposits with banks and financial institutions with original maturity over three months		**(1,555,463)**	(6,368,002)
Total		**24,587,777**	20,146,402

20 Segmental information

20.1 Reportable segments

Reportable segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the Group's chief operating decision makers in order to allocate resources to the segment and to assess its performance.

The Group's reportable segments are organised into five major segments as follows:

- Consumer banking:	Principally handling individual customers' deposits, providing consumer murabahas, salam, home finance, ijarah, credit cards and funds transfer facilities, priority banking, wealth management and trade finance facilities.
- Corporate banking:	Principally handling financing, other credit facilities, deposits, current accounts, cash management and risk management products for corporate and institutional customers.
- Treasury:	Principally responsible for managing the Bank's overall liquidity and market risk and provides treasury services to customers. Treasury also runs its own Islamic sukuk and specialises financial instruments book to manage the above risks.
- Real estate development:	Property development and other real estate investments by subsidiaries.
- Others:	Functions other than above core lines of businesses including investment banking services.

The accounting policies of the above reportable segments are the same as the Group's accounting policies.

Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2016

20 Segmental information (continued)

20.2 Segment profitability

The following table presents summarised condensed consolidated interim statement of profit or loss related to Group's business segments:

	Consumer banking		Corporate banking		Treasury		Real estate development		Other		Total	
	Three-month period ended 31 March		Three-month period ended 31 March		Three-month period ended 31 March		Three-month period ended 31 March		Three-month period ended 31 March		Three-month period ended 31 March	
	2016 (Unaudited) AED'000	2015 (Unaudited) AED'000	**2016 (Unaudited) AED'000**	2015 (Unaudited) AED'000	**2016 (Unaudited) AED'000**	2015 (Unaudited) AED'000	**2016 (Unaudited) AED'000**	2015 (Unaudited) AED'000	**2016 (Unaudited) AED'000**	2015 (Unaudited) AED'000	**2016 (Unaudited) AED'000**	2015 (Unaudited) AED'000
Net operating revenue	**852,947**	728,018	**466,017**	438,053	**170,529**	143,966	**97,156**	87,377	**106,787**	122,206	**1,693,436**	1,519,620
Operating expenses	**(350,847)**	(328,361)	**(95,775)**	(95,899)	**(10,529)**	(9,259)	**(46,482)**	(33,105)	**(67,058)**	(61,577)	**(570,691)**	(528,201)
Net operating income	**502,100**	399,657	**370,242**	342,154	**160,000**	134,707	**50,674**	54,272	**39,729**	60,629	**1,122,745**	991,419
Impairment (charge) / reversal for the period, net	**(253,046)**	(97,175)	**(31,890)**	(38,467)	**-**	-	**-**	947	**167,276**	(1,056)	**(117,660)**	(135,751)
Profit for the period before income tax expense	**249,054**	302,483	**338,352**	303,687	**160,000**	134,707	**50,674**	55,219	**207,005**	59,573	**1,005,085**	855,668
Income tax expense											**(3,785)**	(5,252)
Profit for the period											**1,001,300**	850,416

20.3 Segment financial position

Following table presents assets, liabilities and equity regarding the Group's business segments:

	Consumer banking		Corporate banking		Treasury		Real estate development		Other		Total	
	31 March 2016 (Unaudited) AED' 000	31 December 2015 (Audited) AED' 000	**31 March 2016 (Unaudited) AED' 000**	31 December 2015 (Audited) AED' 000	**31 March 2016 (Unaudited) AED' 000**	31 December 2015 (Audited) AED' 000	**31 March 2016 (Unaudited) AED' 000**	31 December 2015 (Audited) AED' 000	**31 March 2016 (Unaudited) AED' 000**	31 December 2015 (Audited) AED' 000	**31 March 2016 (Unaudited) AED' 000**	31 December 2015 (Audited) AED' 000
Segment assets	**36,614,023**	36,618,887	**67,072,218**	61,076,409	**28,692,234**	26,561,872	**4,032,143**	3,960,244	**28,457,110**	21,680,090	**164,867,728**	149,897,504
Segment liabilities	**56,637,754**	56,588,599	**68,750,727**	56,182,892	**14,018,450**	10,692,190	**1,264,317**	1,280,106	**2,477,675**	2,360,189	**143,148,923**	127,103,976

Notes to the condensed consolidated interim financial information
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21. Related party transactions

(a) The Group enters into arm's length transactions with shareholders, directors, key management personnel, their related concerns and the Group's associates and joint ventures in the ordinary course of business at commercial profit and commission rates.

(b) As at 31 March 2016 and 31 December 2015, the major shareholder of the Bank is Investment Corporation of Dubai ("ICD"), a company in which the Government of Dubai is the majority shareholder.

(c) Balances and transactions between the Bank and its subsidiaries, which are related parties of the Group, have been fully eliminated upon consolidation and they are not disclosed in this note.

(d) The significant balances and transactions with related parties included in these condensed consolidated interim financial information are as follows:

	Major shareholders AED'000	**Directors and key management personnel AED'000**	**Associates and joint ventures AED'000**	**Total AED'000**
As at 31 March 2016 (Unaudited)				
Islamic financing and investing assets	**2,164,105**	**18,388**	**6,249**	**2,188,742**
Investment in Islamic sukuk	**925,635**	**-**	**-**	**925,635**
Customers' deposits	**9,515,291**	**72,002**	**13,307**	**9,600,600**
Contingent liabilities and commitments	**-**	**3**	**14,120**	**14,123**
As at 31 December 2015 (Audited)				
Islamic financing and investing assets	2,575,998	13,430	6,454	2,595,882
Investment in Islamic sukuk	861,425	-	-	861,425
Customers' deposits	9,811,546	29,351	13,337	9,854,234
Contingent liabilities and commitments	-	3	14,120	14,123
For the three-month period ended 31 March 2016 (Unaudited)				
Income from Islamic financing transactions	**27,045**	**718**	**163**	**27,926**
Depositors' and sukuk holders' share of profits	**33,213**	**31**	**-**	**33,244**
For the three-month period ended 31 March 2015 (Unaudited)				
Income from Islamic financing transactions	23,605	175	296	24,076
Depositors' and sukuk holders' share of profits	8,189	19	-	8,208

(e) No impairment allowances have been recognised against Islamic financing and investing assets extended to related parties or contingent liabilities and commitments issued in favour of the Group's related parties during the three-month period ended 31 March 2016 (three-month period ended 31 March 2015: Nil).

(f) The compensation paid to / accrued for key management personnel of the Bank during the three-month period ended 31 March 2016 and 2015 was as follows:

	Unaudited 31 March 2016 AED'000	Unaudited 31 March 2015 AED'000
Salaries and other benefits	**7,333**	5,892
End of service benefits	**393**	174
	=======	=======

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for the three-month period ended 31 March 2016

22 Fair value of financial instruments

22.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The table below summarises the Group's financial instruments' fair value according to fair value hierarchy:

31 March 2016 (Unaudited)

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Investments carried at fair value through profit or loss				
Quoted equity instruments	**6,808**	**-**	**-**	**6,808**
Investments carried at fair value through other comprehensive income				
Quoted equity instruments	**830,875**	**-**	**-**	**830,875**
Unquoted equity instruments and funds	**-**	**-**	**958,619**	**958,619**
Other assets				
Islamic derivative assets	**-**	**322,893**	**-**	**322,893**
Total financial assets measured at fair value	**837,683**	**322,893**	**958,619**	**2,119,195**
Other liabilities				
Islamic derivative liabilities	**-**	**242,401**	**-**	**242,401**

31 December 2015 (Audited)

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Investments carried at fair value through profit or loss				
Quoted equity instruments	-	-	-	-
Investments carried at fair value through other comprehensive income				
Quoted equity instruments	867,512	-	-	867,512
Unquoted equity instruments and funds	-	-	963,474	963,474
Other assets				
Islamic derivative assets	-	249,483	-	249,483
Total financial assets measured at fair value	867,512	249,483	963,474	2,080,469
Other liabilities				
Islamic derivative liabilities	-	202,650	-	202,650

There were no transfers between Level 1 and 2 during the period ended 31 March 2016 and year ended 31 December 2015.

22 Fair value of financial instruments (continued)

22.2 Fair value of financial instruments measured at amortised cost

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated interim financial statement approximate their fair values.

	Carrying amount AED'000	Fair value Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
31 March 16 (Unaudited)					
Financial assets:					
Investments in Islamic sukuks measured at amortised cost	**21,136,584**	**21,081,768**	**-**	**235,830**	**21,317,598**
31 December 2015 (Audited)					
Financial assets:					
Investments in Islamic sukuks measured at amortised cost	20,065,651	19,814,990	-	179,447	19,994,437

23 Capital adequacy ratio

Basel II and the U.A.E. Central Bank requirements are followed in calculating the following ratios:

	Unaudited 31 March 2016 AED'000	Audited 31 December 2015 AED'000
Capital base		
Tier 1 capital	**20,158,257**	19,544,889
Tier 2 capital	**658,280**	648,655
Deduction from capital	**(752,852)**	(742,724)
Total capital base	**20,063,685**	19,450,820
Risk weighted assets		
Credit risk	**118,228,892**	112,931,155
Market risk	**1,542,519**	1,655,917
Operational risk	**8,975,375**	8,975,375
Total risk weighted assets	**128,746,786**	123,562,447
Capital Ratios		
Total regulatory capital expressed as a percentage of total risk weighted assets ("capital adequacy ratio")	**15.6%**	15.7%
Tier 1 capital to total risk weighted assets after deductions for associates	**15.4%**	15.5%

Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2016

24. Dividend

At the Annual General Meeting of the shareholders held on 1 March 2016, the shareholders approved a cash dividend of AED 0.45 per outstanding share for 31 December 2015 amounting to AED 1,775.5 million (for the year ended 31 December 2014: cash dividend of AED 0.40 per outstanding share amounting to AED 1,578.0 million).

25. Seasonality of results

No income of seasonal nature was recorded in the condensed consolidated interim statement of profit or loss for the three-month periods ended 31 March 2016 and 2015.

26 Subsidiaries

26.1 List of material subsidiaries

Below are material interest held by the Group directly or indirectly in subsidiaries:

	Name of subsidiary	Principal activity	Place of incorporation and operation	Ownership interest and voting power	
				2016	2015
1.	DIB Capital Limited (under liquidation)	Investments and financial services	DIFC, U.A.E.	**95.5%**	95.5%
2.	Dubai Islamic Bank Pakistan Ltd.	Banking	Pakistan	**100.0%**	100.0%
3.	Tamweel P.S.C	Financing	U.A.E	**92.0%**	91.9%
4.	Dubai Islamic Financial Services L.L.C.	Brokerage services	U.A.E.	**95.5%**	95.5%
5.	Deyaar Development P.J.S.C.	Real estate development	U.A.E	**44.9%**	44.9%
6.	Dar al Shariah Financial & Legal Consultancy L.L.C.	Financial and legal advisory	U.A.E.	**60.0%**	60.0%
7.	Al Tanmyah Services L.L.C.	Labour services	U.A.E.	**99.5%**	99.5%
8.	Al Tatweer Al Hadith Real Estate	Real estate development	Egypt	**100.0%**	100.0%
9.	Al Tameer Modern Real Estate Investment	Real estate development	Egypt	**100.0%**	100.0%
10.	Al Tanmia Modern Real Estate Investment	Real estate development	Egypt	**100.0%**	100.0%
11.	Naseej Fabric Manufacturing L.L.C.	Textile Manufacturing	U.A.E.	**99.0%**	99.0%
12.	DIB Printing Press L.L.C.	Printing	U.A.E.	**99.5%**	99.5%
13.	Al Islami Real Estate Investments Ltd.	Investments	U.A.E.	**100.0%**	100.0%
14.	Emirates Automotive Leasing Company	Trading in motor vehicles	U.A.E.	**100.0%**	100.0%

In addition to the registered ownership described above, the remaining equity in the entities 1, 4, 7, 11, and 12 are also beneficially held by the Bank through nominee arrangements.

Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2016

26 Subsidiaries (continued)

26.2 List of Special Purpose Vehicles ("SPV")

Below is the list of special purpose vehicles which were formed to manage specific transactions including funds, and are expected to be closed upon completion of the related transactions:

	Name of SPV	Principal activity	Place of incorporation and operation	Ownership interest and voting power	
				2016	2015
15.	HoldInvest Real Estate Sarl	Investments	Luxembourg	**100.0%**	100.0%
16.	France Invest Real Estate SAS	Investments	France	**100.0%**	100.0%
17.	SARL Barbanniers	Investments	France	**100.0%**	100.0%
18.	SCI le Sevine	Investments	France	**100.0%**	100.0%
19.	Findi Real Estate SAS	Investments	France	**100.0%**	100.0%
20.	PASR Einudzwanzigste Beteiligunsverwaltung GMBH	Investments	Austria	**100.0%**	100.0%
21.	Al Islami German Holding Co. GMBH	Investments	Germany	**100.0%**	100.0%
22.	Rhein Logistics GMBH	Investments	Germany	**100.0%**	100.0%
23.	Jef Holdings BV	Investments	Netherlands	**100.0%**	100.0%
24.	Al Islami Trade Finance FZ L.L.C.	Investments	U.A.E.	**100.0%**	100.0%
25.	Gulf Atlantic FZ L.L.C.	Investments	U.A.E.	**100.0%**	100.0%
26.	Al Islami Oceanic Shipping Co FZ L.L.C.	Investments	U.A.E.	**100.0%**	100.0%
27.	MESC Investment Company	Investments	Jordan	**40.0%**	40.0%
28.	Levant One Investment Limited	Investments	U.A.E.	**100.0%**	100.0%
29.	Petra Limited	Investments	Cayman Islands	**100.0%**	100.0%
30.	Sequia Investments L.L.C.	Investments	U.A.E.	**99.0%**	99.0%
31.	Blue Nile Investments L.L.C.	Investments	U.A.E.	**99.0%**	99.0%

In addition to the registered ownership described above, the remaining equity in the entities 30 and 31 are also beneficially held by the Bank through nominee arrangements.

27. Comparative information

Certain comparative amounts in condensed consolidated interim statement of profit or loss and notes to the condensed consolidated interim financial information have been adjusted to conform the current presentation.

28. Approval of the condensed consolidated interim financial information

The condensed consolidated interim financial information were approved by the Board of Directors and authorised for issue on 27 April 2016.